

ABSTRACT OF BUSINESS OPPORTUNITY

Concession Contract CC-BISO005-XX
Big South Fork National River Recreation Area

1. Station Camp Horse Camp and Bear Creek Horse Camp are campgrounds in the Big South Fork National River and Recreation Area (BISO) currently being operated by one concessioner under two separate concessions permits.

2. The CONTRACT in this prospectus combines the two horse camps into a single business. Any reference to “the businesses” is intended to mean operations at both of the existing locations unless only one is specified. This Abstract provides a ready reference of key points of information, but does not modify the Prospectus. The business opportunity is described more fully in the following section of the Prospectus.

3. Location of Horse Camps:

Station Camp Horse Camp is located 10 miles west of Oneida, Tennessee, on the eastern edge of the Park.

Bear Creek Horse Camp which is located 10 miles west of Whitley City, Kentucky on the eastern edge of the Park.

The camps are approximately 25 miles apart by road.

4. Nature of business and services:

The businesses provide overnight camping with short and long day rides; overnight trips; multi-day trips; and sale of souvenirs, snacks, and horse related items. The minimum required operating season is from early April through late November. However, the Concessioner may operate during the winter months with the Superintendents approval. Although spring and fall are the busiest seasons for the horse camps, there is some business in the summer, and typically very little during the winter.

5. **Current Concessioner:** Bernard Terry
d/b/a Station Camp & Bear Creek Equestrian Horse Camps

6. Annual gross receipts:

<u>2002</u>	<u>2003</u>	<u>2004</u>
\$58,551	\$53,598	\$ 50,619

7. **Number of employees:** 2 (1 full time, 1 seasonally)
8. **Current Annual Fee:** 2% of gross annual receipts.

Proposed Concession

1. **Operations:** overnight camping with short and long day rides; overnight trips; multi-day trips, and sale of souvenirs, snacks, and horse-related items such as, tack, feed, hay veterinarian supplies, fly spray, halters, lead ropes, and Chicago screws.
2. **Franchise fee** – The minimum franchise fee will be 2.5% of annual gross receipts.
3. **Term of New Contract:** 5 years
4. **Estimate of expense for personal property:** No purchase of the current Concessioner's personal property is required, but may be negotiated if desired. Only minimal expense for personal property is anticipated.
5. **Estimate of capital investment required during New Contract:** No capital investment is required.

BUSINESS OPPORTUNITY

INTRODUCTION

This Prospectus describes in general terms the existing businesses and the business opportunity being provided under the attached Draft Contract. Potential Offerors are responsible for reviewing all sections of the Prospectus and, specifically, the terms and conditions of the Draft Contract, including its exhibits, to determine the full scope of the Concessioner's responsibilities under the Draft Contract. The Prospectus describes two existing horse campground operations in the Big South Fork National River Recreation Area (BISO) that the National Park Service (Service) is combining under the Draft Contract.

Station Camp Horse " Camp is located west of Oneida, TN on the eastern edge of the Park and provides facilities for camping by horse owners and others on a reservation basis. There are 24 campsites. Each campsite has a table, grill, lamp post, a public telephone, water and electrical connections, and a tie-stall for four horses. An amphitheater/fire ring is centrally located. Collection points for trash and manure management are located at each end of the camp. A washhouse (bathroom and showers) with hot water is located centrally to all sites, and a public telephone. An entrance kiosk is available for providing information to campers.

Bear Creek Horse Camp is located west of Whitley City, KY on the eastern edge of the Park and provides facilities for camping by horse owners and others on a reservation basis. There are 23 campsites. Each with a with table, grill, lamp post, water and electrical connections, and a tie-stall for four horses. An amphitheater/fire ring is centrally located. Collection points for trash and manure management are located at each end of the camp as are trash dumpsters. A washhouse (bathroom and showers) with hot water is located centrally to all sites, and a public telephone. A board is available for providing information to campers.

The Station Camp Horse Camp accommodates up to 96 horses, and Bear Creek Horse Camp accommodates up to 92 horses. Both campgrounds provide access to the park's complete horse trail system. A day use parking area is adjacent to both campgrounds and may be used for parking of excess camper vehicles. The businesses provide the services of overnight camping with short and long day rides, overnight trips, multi-day trips, with the sell of merchandising and souvenirs, snacks, horse related items such as: tack, feed, hay, veterinarian supplies fly spray, halters, lead ropes, and Chicago screws. These businesses operate seasonally with the busiest time being the spring and the fall, with some business through the summer and very little through the winter. The minimum required season of operation is April through November.

CURRENT CONCESSIONS OPERATIONS

Station Camp Horse Camp and Bear Creek Horse Camp provides overnight camping with short and long day rides; overnight trips; multi-day trips of souvenirs, snacks, and horse related items such as tack, feed, hay, veterinarian supplies, fly spray, halters, lead ropes, and Chicago screws.

The minimum required season of operation is April through November. However, the concessioner may operate during the winter months with the Superintendent's approval. Although spring and fall are the busiest seasons for the horse camps, there is some business during the summer, and typically very little during the winter.

The existing permits are included in the Appendix, to this Prospectus. Operations under the existing Permits have been authorized to continue until December, 31, 2006. The current Concessioner has operated successfully and satisfactorily during the term of the existing Permits, and is anticipated to compete for the new Contract. The current Concessioner has a "preferential Right to renew" under Public Law 105-391. The nature and scope of this preference described in 36 C.F.R. Part 51.31, included among the NPS concessions regulations in the Appendix.

The existing Permits require the current Concessioner to pay a franchise fee of two percent (2%) of the annual gross receipts, and to carry and maintain Comprehensive General Liability Insurance coverage for the dollar amounts and the categories set forth in Exhibit F of the Contract.

BASIC FINANCIAL INFORMATION

Information regarding the most recent three years of Annual Gross Receipts for each of these businesses is contained in the Appendix. Both businesses have experienced limited growth during the term of the current permit. Located in an area with many miles of trails, both businesses have a potential for growth because of the large customer base of horse owners and others interested in riding and camping in the Park. The fact that both campgrounds are located in the popular, frequently visited areas of the Park potentially could contribute to overall profitability of the operations under the Contract. The Service anticipates that the businesses will continue to experience growth as visitation to the Park and region increases.

THE PROPOSAL PACKAGE

The proposal package requires offerors to develop financial projections based upon the business to be operated. Offerors should be appropriately cautious in the use of historical information. The Service will not provide financial predictions; therefore, offerors are responsible for producing their own pro forma financial statements and relying upon their own financial predictions.

FUTURE OPERATIONS

The Concessioner will operate the both campgrounds for all campers on a reservation system available to the public year-round. Sites not reserved may be rented on a first-come, first-serve basis. The Draft Contract does not require a concessioner to make any modifications to the existing concession facilities at either campground. The Concessioner will be responsible for full maintenance and operation of the assigned land and real property improvements (Concession Facilities) shown in Exhibit C of the Contract. These responsibilities include, without limitation, all costs of operating and managing the campgrounds including the reservation system, advertising, insurance, and government and local fees. The Concessioner will have full access to all approved Park horse trails (182 miles) and roads.

SERVICES TO BE PROVIDED

During the term of the new contract, the Director requires and authorizes the Concessioner to provide the following services for the public within the Area:

(1) Required Visitor Services. The Concessioner is required to provide the following visitor services during the term of the CONTRACT:

- a) Operation of the equestrian campgrounds at Station Camp Horse Camp and Bear Creek Horse Camp on a reservation basis for horse and non-horse campers making short and long day rides, overnight trips, and multi-day trips;
- (b) Operation of a reservation system capable of accepting calls and messages 24 hours a day, seven days a week, on a year-round basis; and

©Provision of a 24-hour telephone answering system that will be available year-round for the public to contact the Concessioner at any time the horse camps are not staffed or when the telephone line not available.

(2) Authorized Visitor Services. The Concessioner is authorized, but not required to provide the following visitor services during the term of the CONTRACT:

- (a) sale of souvenirs;
- (b) sale of snacks, and
- © sale of horse related items such as; tack, feed, hay, veterinarian supplies, fly spray, halters, lead ropes, Chicago screws, etc;

CONCESSION FACILITIES

The Lands and property improvements (Concession Facilities) assigned to the Concessioner for use in providing visitor services under the Draft Contract are shown and listed in Exhibit C of the Contract.

A narrative description of the Concessioner's campgrounds and Concession Facilities are provided at the beginning of the Business Opportunity section.

IMPROVEMENT PROGRAM

The Draft Contract does not require a facilities improvement program.

RATES FOR SERVICES

Rates and charges for services (including markups) will be judged primarily by comparison with those currently charged for comparable services and or accommodations sold outside of the areas administered by the Service under similar conditions, with due allowances for length of season, provision of peak loads, accessibility and cost of labor and material, type of patronage and other conditions customarily considered in determining charges, but due regard may also be given to such other factors the Service deems significant. A copy of the Concession Management Rate Approval Guide and the approved rates for the required services (campground fees) under the existing Permits are included in the Appendix. The existing approved rates for the required services will serve as the initial rates under the Contract. Proposed pricing/rates for any of the authorized services listed in the Contract that the Concessioner elects to provide should be included in the offer for informational purposes and will be subject to final approval of the Service prior to contract award. However, neither the authorized services an Offeror proposes to furnish nor any proposal pricing/rates will be considered for purposes of evaluating offers.

TERM OF THE Draft CONTRACT

The new concession contract will be for a term of five (5) years, beginning on its effective date, which is estimated to be March 1, 2007. The effective date of the new contract is subject to change prior to contract award if determined to be necessary by Service. The expiration date of the CONTRACT will be changed if a material adjustment is made to the effective date that would significantly impact the business opportunity.

FRANCHISE FEE

The minimum franchise fee in the Draft Contract is 2.5 % of annual gross receipts.

UTILITIES

Local companies provide water and sewer services for both campgrounds. Utility services are billed directly to the Concessioner. The Concessioner will be responsible for obtaining and paying for all utility services.

INSURANCE

The new contract requires the Concessioner to purchase and maintain liability coverage as well as fire and extended coverage insurance for full replacement value of those buildings, structures, equipment, furnishings and betterment and merchandise used in the operation. Specific insurance requirements are contained in Exhibit F of the CONTRACT. In addition, Exhibit C of the CONTRACT lists the buildings and structures.

PERSONAL PROPERTY

No purchase of the current concessioner's personal property is required, but may be negotiated if desired. Only minimal expense for personal property is anticipated. No capital investment for acquiring, constructing, or improving real property improvements at the campgrounds is required under the Contract.

SITE VISITS

The Service will schedule a one-day site visit to occur approximately 30 days following the publication of the Prospectus. The Service will notify all Offerors on the potential offerors list maintained in the Service's Region Office when the date is scheduled. This list includes the current Concessioner and all who request a copy of the Prospectus. Specific questions regarding directions for the site visit should be directed to Frank Graham, Chief of Interpretation at (423) 569-2404 ext. 263.